

COUNTY OF LOS ANGELES

**ARCHITECTS AND ENGINEERS PROFESSIONAL LIABILITY
INSURANCE PROGRAM FOR DEPARTMENT OF PUBLIC WORKS**

**REQUEST FOR PROPOSALS
ISSUED APRIL 2, 2003**

Prepared by:
Chief Administrative Office (CAO)
Risk Management Branch

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**REQUEST FOR PROPOSAL
FIRST-PARTY AND THIRD-PARTY LIABILITY
INSURANCE PROGRAMS**

I. INTRODUCTION AND BACKGROUND

1. The Desired Insurance Program

The County of Los Angeles (the County) seeks individual proposals to renew its Professional Liability Insurance Program for the Department of Public Works (DPW). The current Professional Liability Insurance policy will expire on September 1, 2003.

DPW is seeking professional liability insurance to cover claims or lawsuits from DPW's clients (1st party liability) only, and does not desire 3rd party liability coverage, on the belief that underwriters will reduce premiums and increase limits as the risk of an insured loss is much lower without the 3rd party liability coverage. Imaginative and comprehensive proposals are solicited to determine the availability of a policy/program which provides comprehensive coverage at a reasonable premium. Detailed information concerning DPW's insurance specifications and individual program data is included in this Request for Proposal (RFP).

2. County of Los Angeles — General Background

The County, the largest county in the nation, covers over 4,083 square miles with a population exceeding 9 million. The County is governed by an elected Board of Supervisors. Created in 1850 as a political subdivision of the State, the County is governed by a five member Board of Supervisors, responsible for the delivery of a multitude of services through a work force of over 93,000 permanent and temporary employees.

Each Supervisor serves a four-year term and represents the citizens of one of the five supervisorial districts into which the County is divided. The Board functions as the executive and legislative head of County government.

The County's day-to-day operations are managed by over 40 administrative units which vary significantly in the size (budget and number of employees) and scope of their operations. For descriptive purposes, County services may be generally classified into four categories:

- a. Those rendered Countywide to all residents
- b. Those organized for particular services under special districts
- c. Those restricted to unincorporated areas, and
- d. Those offered to cities on a contract basis.

County services are mandatory (required by the County's Charter or State/Federal regulations) or discretionary (established by County ordinance). These include law enforcement and custodial detainment, fire suppression and control, judicial administration, property assessment, tax collection, public health programs, social or welfare services, flood control, road design and maintenance, building inspection and engineering, airport operation and management, and recreational/cultural activities.

County also contracts with some of the cities within Los Angeles County to provide various services (i.e. law enforcement, building and safety, street and traffic signal maintenance, etc.) that the cities are required to provide but have decided to have the County provide the services on behalf of the city.

3. Key Dates

The following table shows the County's key dates and events:

**Table 1
Key Dates and Events**

Key Dates	Events
April 14, 2003	Last day for proposers to submit questions
May 12, 2003	Proposals due
June 4, 2003	Broker of Record Letter issued
June, 19, 2003	Broker confirmation of program terms
September 1, 2003	Coverage becomes effective

II. GENERAL UNDERWRITING INFORMATION

DPW was formed in 1985 by consolidating the Road Department, the Flood Control District and the public works functions of the County Engineer Department.

DPW is responsible for designing, constructing, operating and maintaining roads and highways, flood control and water conservation facilities, and water and sewer systems; operating airports; administering public transit programs; managing capital projects for other County departments; meeting and monitoring environmental requirements; and providing general engineering and building regulation services for the unincorporated areas of the County (Exhibit "A" is a detailed summary of DPW's services).

DPW generally uses contractors in providing the majority of services, especially for major capital projects and improvements, and uses DPW personnel for the more routine services (i.e. traffic signal maintenance, building regulation/inspections, road maintenance, etc). Contractors are required to indemnify the County including DPW and provide a program of insurance as required by the County, including naming the County as an additional insured. Exhibit "B" is a listing and total costs of the more routine services provided to cities and other governmental agencies by DPW personnel. Exhibit "C" is a listing of services provided by Contractors. Exhibit "D" is the County's Indemnification and Insurance Requirements for Construction Projects.

Essentially any service that DPW provides for the unincorporated areas of the County it also can provide to cities within the Los Angeles County on a contract basis. Services can be provided through a one-time project specific contract or through the General Services Agreement that County has with 87 of the 88 cities in Los Angeles County (City of Los Angeles declines to participate). Exhibit "E" is a sample copy of the General Services Agreement and Exhibit "F" is a sample copy of the Project Specific Contract when DPW undertakes specific projects on behalf of the city. This RFP seeks professional liability insurance to cover claims or lawsuits from DPW's clients.

The County established a liability trust fund that pays for 3rd party liability losses resulting from services provided by the Sheriff, DPW and other County departments to client cities. A percentage of contract fees paid by client cities are deposited into the liability trust fund to pay for liability and administrative costs. Exhibit "G" is a copy of the Assumption of Liability Agreement which is the operating agreement for the Contract Cities Liability Trust Fund. Exhibit "H" is a listing of pending 3rd party claims and lawsuits from the Contract Cities Liability Trust Fund allegedly resulting from DPW's services provided to client cities. The County does not seek 3rd party liability coverage and only provides this information should underwriters desire this information.

DPW has two products, the Rubberized Asphalt Slurry Seal (RASS) and the Radio Corrected Time Base unit (RCTB) that it desires to continue coverage relative to professional services provided by DPW. RASS is a seal used on roadways that DPW assisted to develop and continues to recommend its use on road projects. DPW confirms that the manufacturer of RASS has listed DPW as an additional insured under the manufacturer's products liability insurance (Exhibit "I" is copy of manufacturer's insurance certificate). Exhibit "J" is additional information on RASS and explains in more detail its use. The RCTB is a traffic signal control system that is used to control the flow of traffic through a specific traffic corridor/route by synchronizing traffic signals. RCTB was developed by DPW based on its many years of experience with traffic signal controllers and consist of a transmitter and clock/timer and computer software. Failure of the RCTB will not cause a malfunction of the traffic signal, but, may impeded the flow of traffic because the traffic signals will not be synchronized. The cost to replace a RCTB unit is nominal. RCTB is recongnized in the industry and is used by other agencies.

Effective September 1, 2000, Professional Liability Insurance was obtained from American Home Insurance. This policy was purchase to cover negligent acts, errors or omissions of professional services provided by DPW that are not covered by the Contract Cities Liability Trust Fund. To date no claims have been submitted under American Home's policy. Exhibit "K" and "L" is a copy of American Home Insurance Professional Liability Policy and Claims History for the current policy. In addition, the Lexington Application for Architects and Engineers Professional Liability Policy has been completed and will be provided upon request to this office.

III. PROPOSAL EVALUATION PROCESS

The County's evaluation and rating of proposals shall be primarily based on:

- Premium cost
- Commercial insurance design (coverages, underwriter financial soundness)
- Broker experience and background
- Broker services

The RFP section titled "Evaluation of Proposals" indicates the evaluation criteria and the maximum points for each category. The specifications outlined in this RFP are designed to provide a general framework of minimum requirements, but are not intended to limit the freedom of proposers to submit alternative proposals which, in their judgment, would be beneficial and cost-effective for the County. Alternative proposals submitted will be considered after review of the basic proposals.

Proposers must also submit their most current financial statement (it is highly recommended that this be an audited statement) for assessment by the County's Auditor-Controller. This will assist the County in ensuring that the successful broker is capable of maintaining the services necessary for the efficient administration of the County's insurance program.

Instead of a current financial statement, proposers may commit to providing a performance bond in the amount of the commission and a premium payment bond in the amount of the premium. If your firm selects this option, you must submit a specimen form of each bond with your proposal. **The bonds, in the form approved by the County, must be provided prior to the County's approval of the Broker of Services Agreement.** Should the successful bidder fail to provide the bonds as required, the County will take whatever action it deems necessary, including the issuance of a new RFP or the selection of the next best proposal.

Thereafter, the successful broker will be required to submit updated financial statements no later than 90 days prior to the annual insurance policy renewal. Should the incumbent broker receive a "Poor" financial assessment by the Auditor-Controller, a new RFP will be issued for the program renewal and a new broker will be selected. If necessary, an interim broker will be appointed pending selection of the new broker.

In its evaluation and selection of proposals, the County will select the proposal the County believes will provide the best combination of coverage, service and cost.

IV. BROKER OF RECORD APPOINTMENT

The Broker of Record appointment will be issued on or about June 4, 2003 and the successful insurance brokerage firm will be required to provide written confirmation from the underwriter by June 19, 2003 of the coverages, policy terms/conditions and premium and underwriter's participation. The Broker of Record appointment may be rescinded at the County's discretion should the broker be unable to formalize coverage by the deadline or should the County otherwise determine it to be in its best interest.

The selected broker also will be required to execute a Broker Services Agreement for a three-year period with two one year extensions, upon completing placement of coverages within the price, terms and structure proposed by the broker. Each one year extension will be at the sole option of the County Program Manager and conditioned on (1) satisfaction of the County Program Manager and DPW with broker services and (2) the premium does not increase more than 10% for any given policy renewal or a total of 20% for the last 2 policy renewals. The Standard Terms and Conditions of the Insurance Program Broker Services Agreement are included as Exhibit "M" of this RFP.

V. SUBMISSION OF PROPOSALS

Proposers are instructed to comply with the following instructions in the submittal and format of their proposal. Proposals not in compliance with these instructions may be disqualified.

The County reserves the right to extend the submission deadline or any other deadline or date indicated in this RFP in the event that an extension would be in the best interest of the County. The County Board of Supervisors or the Chief Administrative Officer reserve the right to reject any or all proposals received, accept or reject any portion of any proposal, waive any irregularities in any proposal received, and request and accept any additional information needed by the County for its evaluation and revise evaluation criteria with notice to appropriate proposers.

All costs and expenses associated with the development of a response to this Request for Proposal are at the sole expense of the proposer. The County is not obligated to the proposer in any manner and will not reimburse or pay any cost incurred by the proposer.

Instructions for preparing proposals are:

1. The proposal must be submitted in 8½" × 11" page format. All pages should be numbered for easy reference.
2. Proposers must submit and deliver a total of eight (8) copies of the proposal. If the proposal is packaged or bound, include one reproducible copy.
3. **Proposals may be mailed or personally delivered, but must be received, no later than 10:00 a.m. on Monday, May 12, 2003.** Eight copies including the original must be received by Mr. Uyenoyama and one copy by Mr. Griffin at:

Delta Uyenoyama, Chief
Risk Management Operations
Chief Administrative Office
3333 Wilshire Blvd., Suite 820
Los Angeles, CA 90010

C.C. Griffin, President
Warren, McVeigh & Griffin, Inc.
1420 Bristol Street North, Suite 220
Newport Beach, CA 92660

4. The proposal envelope must be **boldly marked:**

**Department of Public Works
Professional Liability Insurance Program**

The contents and sequence of the proposal are to be as follows:

1. **Cover Letter**

The Cover Letter shall be a maximum two page and include:

- A. An introduction,
- B. The name and address of the organization submitting the proposal,
- C. The signature of the officer of the organization who is authorized to execute the proposal,
- D. The name, address and telephone number of the contact person(s) who will be authorized to make presentations for the proposer, and
- E. Contain a statement that the proposal is valid for a period of at least 120 days from the date of delivery.

2. **Table of Contents**

The Table of Contents shall include a detailed outline of the materials, identified by sequential page number and by section reference number including, but not limited to the headings described below.

3. **Experience and Background of Proposer**

Part 1 shall be entitled "Experience and Background" and shall include the information required in Item 1 of the Evaluation of Proposals sections of this RFP and any other information the proposer deems appropriate.

4. **Proposer's Commercial Insurance Design**

Part 2 shall be entitled "Commercial Insurance Design" and shall include the information required in Item 2 of the Evaluation of Proposals Section of this RFP and any other information the proposer deems appropriate.

5. **Premium and Broker Compensation**

Part 3 shall be entitled "Premium and Broker Compensation" and shall consist of the completed Premium/Broker Compensation Quote Sheet (Exhibit "N").

6. **Broker Services**

Part 4 shall be entitled "Broker Services" and shall include the information required under Item 5 of the Evaluation of Proposal Section and Section 7.0 through 9.4 of the Broker Services Agreement's Standard Terms and Conditions of this RFP, and any other information the proposer deems appropriate.

7. **County Required Forms and Statements**

Part 5 shall be entitled "County Required Forms and Statements" and must contain the following completed forms and statements:

A. Community Business Enterprise (CBE):

Proposers must complete and include the County's Community Business Enterprise (CBE) form with their proposal (Exhibit "O"). This information is requested for statistical purposes, only. To the extent possible, proposers are encouraged to qualify as or to be affiliated with a CBE firm certified with the County's Office of Affirmative Action Compliance. Further information is available at <http://oaac.co.la.ca.us/WomMin.shtml>.

Los Angeles County is committed to actively encourage and promote participation of all business concerns in its private sector contracting activities. In support of this commitment, the Los Angeles County Directory of Certified Minority, Women, Disadvantaged & Disabled Veterans Business Enterprises was created in an effort to maximize opportunities for minorities, women, disadvantaged and disabled veteran business enterprises. The broker selected through this solicitation is encouraged to utilize the services of those entities listed in the above resource directory, as appropriate.

B. Local Small Business Enterprise Preference Program:

In evaluating proposals, the County will give preference to businesses that are certified by the County as a local Small Business Enterprise (Local SBE), consistent with Chapter 2.204 of the Los Angeles County Code. A Certified Local SBE is: 1) a business certified by the State of California as a small business enterprise; 2) having its principal office currently located in Los Angeles County for a period of at least the last twelve months; and 3) certified by the Office of Affirmative Action Compliance as meeting the requirements set forth in 1 and 2 above. Certified Local SBEs must request the SBE preference in their solicitation responses and may not request the preference unless the certification

process has been completed and certification affirmed. County must verify Local SBE certification prior to applying the preference. Sanctions and financial penalties may apply to a business that knowingly, and with intent to defraud, seeks to obtain or maintain certification as a certified Local SBE.

Information about the State's small business enterprise certification regulations is in the California Code of Regulations, Title 2, Subchapter 8, Section 1896 et seq., and is also available on the California Department of General Services Office of Small Business Certification and Resources Website at www.pd.dgs.ca.gov/smbus/default

C. Consideration of GAIN Participants for Employment:

As a threshold requirement for consideration for selection, proposers shall demonstrate a proven record of hiring Greater Avenues for Independence (GAIN) participants or shall attest to a willingness to consider GAIN participants for any future employment opening if they meet the minimum qualifications for that opening. Additionally, proposers shall attest to a willingness to provide employed GAIN participants access to the proposer's employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities. Proposers who are unable to meet this requirement shall not be considered for selection.

D. County's Child Support Compliance Program:

Proposers must submit certification to the Chief Administrative Office and to the Child Support Services Department (CSSD), in accordance with the provisions of the County Code Section 2.200.060. Such certificates (also available at website <http://cscp.da.co.la.ca.us>) are submitted as follows:

Separately to the Child Support Services Department (CSSD), a completed **Principal Owner Information (POI) Form**, Exhibit "P". The PIO Form must be appropriately completed and provided to CSSD with respect to the proposer's Principal Owners;

To the Chief Administrative Office with the proposal a completed **Child Support Compliance Program Certificate**, (CSCP) Certificate Exhibit "P". The CSCP Certificate certifies that the proposer has:

- submitted a completed PIO Form to the child Support Services Department with respect to the Vendor's Principal Owners;

- fully complied with all applicable State and Federal reporting requirements relating to employment reporting for its employees; and
- fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to maintain compliance.

Failure of Proposer to submit the CSCP Certification (which includes certification that the PIO Form has been submitted to the CSSD) with the proposal and a copy to CSSD shall be grounds for a finding that the proposal is non-responsive (County Code Section 2.200.070).

E. Certain Contracts Prohibited

Proposer shall sign and include ***Certification of “No Conflict of Interest” Form, Exhibit “Q”***.

F. Acceptance of Terms and Conditions

Proposer shall provide a statement entitled “Acceptance of Terms and Conditions”, indicating that proposers understand and agree that submission of a proposal constitutes acknowledgment and acceptance of, and a willingness to comply with, all of the terms and conditions contained in this RFP. Further, as pertains to ***Broker Services Agreement, Exhibit “M”***, the terms and conditions stated therein will be included in the final agreement. Proposers will be deemed to have accepted those terms and conditions unless specific changes are requested in the proposal submitted and accepted by the County.

G. County Lobbyist Ordinance

Proposer shall sign and include as part of the proposal, ***Familiarity of the County Lobbyist Ordinance Certification, Exhibit “R”***.

H. Proposer’s/Offeror’s EEO Certification

Proposer shall complete and include as part of the proposal ***Bidder’s/Offeror’s EEO Certification, Exhibit “S”***.

I. Contractor Employee Acknowledgment and Confidentiality Agreement: Proposers must provide a statement that the Proposer agrees to the confidentiality requirements contained in this RFP and prior to beginning services under this Agreement would ensure that ***Contractor Employee***

Acknowledgment and Confidentiality Agreement, Exhibit "T", will be signed by all of Contractor's staff who work under this Agreement.

J. Jury Service Program: The prospective broker is subject to the requirements of the County's Contract Employee Jury Service Ordinance ("Jury Service Program") (Los Angeles County Code, Chapter 2.203). Prospective brokers should carefully read the Jury service program below, and the pertinent jury service provisions included in Exhibit "U", the sample Broker Services Agreement, which is incorporated by reference into and made a part of this RFP. The Jury Service Program applies to both contractors and subcontractors. Proposals that fail to comply with the requirements of the Jury Service Program will be considered non-responsive and excluded from further consideration.

- The Jury Service Program requires contractors and their subcontractors to have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employee's regular pay the fees received for jury service. For purposes of the Jury Service Program, "employee" means any California resident who is a full-time employee of a contractor and "Full-time" means 40 hours or more worked per week, for a lesser number of hours if: 1. The lesser number is a recognized industry standard as determined by the County, or 2. The contractor has a long-standing practice that defines the lesser number of hours as full time. Therefore, the Jury Service Program applies to all of a contractor's full-time California employees, even those not working specifically on the County project.
- There are two ways in which a contractor might not be subject to the Jury Service Program. The first is if the contractor does not fall within the Jury Service Program's definition of "contractor". The Program defines "contractor" to mean a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12 month period under one or more County contracts or subcontracts. The second is if the contractor meets one of the two exceptions to the Jury Service Program. The first exception concerns small businesses and applies to contractors that have 1) ten or fewer employees; and 2) annual gross revenues in the preceding twelve months which, if added to the annual amount

of this contract is less than \$500,000; and 3) is not an “affiliate or subsidiary of a business dominant in its field of operation”. The second exception applies to contractors that possess a collective bargaining agreement that expressly supersedes the provisions of a Jury Service Program. The contractor is subject to any provision of the Jury Service Program not expressly superseded by the collective bargaining agreement.

- If a contractor does not fall within the Jury Service Program’s definition of “Contractor” or if it meets any of the exceptions to the Jury Service Program, then the contractor must still indicate in the Certification Form and Application for Exception, (see Exhibit “U”) and include with its submission all necessary documentation to support the claim such as tax returns or a collective bargaining agreement, if applicable. Upon reviewing the contractor’s application, the County will determine, in its sole discretion, whether the contractor falls within the definition of Contractor or meets any of the exceptions to the Jury Service Program. The County’s decision will be final.

K. The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The information and attachments will be provided by County to Proposers at a later date; it will also be available soon on the Internet at www.babysafela.org for printing purposes.

8. Last Page of Proposal

PART 6 shall be the last page of the proposal and shall include the signature(s) of the person(s) authorized to bind the proposer to a contract, and a certification that the prices quoted in the proposal were arrived at independently, without consultation, communication or agreement with any other proposer or competitor, for the purpose of restricting competition. Exhibit “V” is a sample of this page.

9. Alternatives

Part 7 shall be entitled “Alternatives” and shall consist of any additional or optional coverages, limits, deductibles and premium quotes that are an alternative to the minimum coverages and policy requirements indicated in the Commercial Insurance Requirements Section of this RFP.

VI. EVALUATION OF PROPOSALS

A panel of County raters, including representatives from participating departments, will evaluate and rate proposals based on the requirements outlined in this RFP. A written evaluation document will be completed by each rater.

Proposers must comply with the RFP requirements to be considered for selection. Proposals will be rated solely on the information received and therefore, proposers are instructed to submit comprehensive and thorough proposals.

The following outlines the information to be submitted for evaluation, review and rating. The weights to be given to each category are indicated in parentheses:

1. **Experience and Background (15 points)**

- Statement on prior experience, knowledge, and success in developing similar professional liability insurance programs, particularly programs with these coverages utilized by large public entities.
- Name(s) and telephone numbers of three clients with similar operations and levels of coverage who may be contacted to review client satisfaction and the proposer's current and past performance.
- Background summary on the management, organization, and operations of the proposer, including availability of additional or alternative staff to service the County's account as needed.
- Background (including CPCU, ARM or similar professional designations) and years of experience (particularly in the area of first-party and third-party liability insurance coverage) of each account representative who will be assigned to manage and service the County's account. Account representatives should have a minimum of five (5) years' experience in the placement and servicing of commercial insurance programs.
- Copies of any necessary insurance and business license(s) in accordance with State of California and any other appropriate local jurisdiction's licensing requirements.
- Current financial statements (***it is highly recommended that these be audited statements***) for assessment by the County's Auditor-Controller or a commitment to provide a premium payment bond accompanied

with a specimen form of the bond that will be provided if the proposer is awarded the Broker Services Contract.

2. **Commercial Insurance Design (35 points)**

- Statement describing:
 - Proposed policy form(s)
 - Coverage limits and coverage retroactive date of September 1, 2000
 - Definition of insured persons
 - Deductibles or self-insured retention
 - Exclusions and restrictions to proposed coverage

Statement should also include confirmation that the proposed coverage is at least as broad as the existing coverages, or if it is not, explains in detail any aspect of the proposed coverage that is more restrictive than current policy.

- Listing or statement describing proposed underwriter(s). For each underwriter, the following information must be provided:
 - percentage(s) and layers of participation.
 - Best's financial rating(s), or, if Best's rating is not available, rating from a similar rating organization.

Underwriters must have at least an A.M. Best or equivalent rating of "A" with a Financial Size Category (FSC) of VII or higher. If Lloyds' underwriters or syndicates are to be used, the proposer must individually list each name and the percentage of participation.

- Complete copies of all policy and endorsement forms which will be used to provide the proposed coverages. The proposed policy(ies), whether written in manuscript or standardized form, must comply with the specifications of this proposal. Policy(ies) must also include modifications or changes, agreed to by the proposer and the County, after the issuance of this proposal and before the effective date of coverage.

- Explanation of each policy improvement that will enhance the prompt adjustment and resolution of claims.
- Confirmation that the proposed policy contains a retroactive date that will cover losses that occurred from the effective date of expiring policy, September 1, 2000 and onward, but were not discovered or reported until after the current policy expired on September 1, 2003.
- County Counsel fees will be considered as an allocated loss adjustment expense under the policy.

3. **Premium And Method of Broker Compensation (35 points)**

- Statement of best estimate of the projected policy premium cost. The proposed premium cost will be carefully evaluated and compared with all other proposals.
- Statement on amount and manner of broker compensation which is proposed. Although the County will entertain all proposals, it is expected that broker compensation should not exceed 15% of the premium cost.

4. **Broker Services (15 points)**

- Identification and description of all broker services available to the County to be provided at **no** cost, as well as any other services available for an **additional** cost. This statement of the type and extent of services must include but not necessarily be limited to:
 - Review of existing programs, issuance of recommendations and negotiation with carriers to improve program and coverages.
 - Advisement of changes in insurance market conditions and products.
 - Premium collection and prompt disbursement to underwriter(s).
 - Issuance and maintenance of Certificates of Insurance.
 - Issuance and maintenance of program and procedural guidelines for each coverage for use by County departments.
 - Claims support.

- Report generation (including maintenance of loss experience reports).
- Provision of presentations and training to County staff.

Proposers are also referred to Exhibit "M" (Insurance Program Broker Services Agreement) of this RFP.

VII. GENERAL INSTRUCTIONS

The following general instructions are issued to all proposers and should be followed in the development and presentation of proposals.

1. **Representations And Market Assignments**

During the development of this proposal, proposers are instructed not to represent themselves as the appointed Broker of Record of the County for this proposal. The County does not intend to assign or restrict insurance markets.

2. **Responses to Questions**

**Questions relating to this proposal
should be submitted via fax [(213) 252-0404]
no later than April 14, 2003**

A response from the County, together with a copy of the broker's questions, will be posted on the County's Risk Management Website at <http://cao.co.la.ca.us/riskmgmt/contracting.htm> . **All participating brokers are responsible for accessing and checking this website for proposers questions and County's answers, as well as any other addenda to this RFP.** If a proposer prefers to receive such information by mail, e-mail, or fax, the proposer is responsible to submit a fax by the above date that includes this request and the following:

- Name of proposer and Company name
- Phone number
- Fax number
- E-mail address (if available)
- Mailing address

The information contained in this RFP is based on available information that the County believes to be accurate. Proposers and underwriters are provided this underwriting information so as to be informed and knowledgeable as to the extent and character of the risks to be insured and the requirements of these specifications.

3. **Underwriters And Financial Ratings**

It is the sole and continuing responsibility of the proposer to investigate, evaluate, and advise the County of the ability of underwriters to meet coverage and financial obligations. The County reserves the right to reject any underwriter which the County deems to be unacceptable because of financial, conflict of interest or operational concerns.

4. **Notice to Proposers Regarding the Public Records Act**

All documents submitted in response to this RFP are subject to public disclosure as permitted by the California Public Records Act. Specifically, responses to this RFP become the exclusive property of the County of Los Angeles. At such time as the CAO may recommend approval of an agreement to the Board of Supervisors, and such recommendation appears on the Board's Agenda, all proposals submitted in response to the RFP become a matter of public record and shall be regarded as public records. Exceptions will be those elements in each proposal which are trade secrets as that term is defined in California Government Code Section 62543.7 and which are so marked as "Trade Secret," "Confidential," or "Proprietary." The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked if disclosure is deemed to be required by law or by order of the Court. Proposers who indiscriminately and without justification identify all or most of their Proposal as exempt from disclosure may be deemed unresponsive.

5. **Reports**

Proposers are required to provide the County with periodic and annual reports of all relevant program activity as indicated in Section 9.0, Contractor Services, of attached Broker Services Agreement.

Proposers must secure underwriter agreement to furnish the County with advance notices of all claims settlements.

6. **Gratuities**

It is improper for any County officer, employee or agent to solicit consideration, in any form, from a proposer with the implication, suggestion or statement that the proposer's provision of the consideration may secure more favorable treatment for the proposer in the selection of the broker or that the proposer's failure to provide such consideration may negatively affect the County's consideration of the proposer's submission. A proposer shall not offer or give, either directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the selection of the broker.

A proposer shall immediately report any attempt by a County officer, employee

or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such a solicitation may result in the proposer's submission being eliminated from consideration.

7. **County's Quality Assurance Plan**

After contract award, the County or its agent will evaluate the contractor's performance under the contract on not less than an annual basis. Contractor deficiencies which the County determines are severe or continuing and that may jeopardize performance of the contract will be reported to the County's Board of Supervisors. The report will include improvement/corrective action measures taken by the County and contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate the contract or impose other penalties as specified in the contract.

8. **County's Rights**

The County reserves the right to extend the submission deadline, or any other deadline or date indicated in this RFP, in the event that an extension would be in the best interest of the County. The County may investigate the qualifications of any proposer under consideration, including its financial capability, require confirmation of information furnished by a proposer, and require additional evidence of qualifications as requested in this RFP. The County in doing so reserves the right to:

- Reject any or all submissions.
- Issue subsequent RFPs.
- Cancel the entire RFP.
- Revise evaluation criteria with notice to appropriate proposers.
- Accept or reject any portion of any proposal.
- Waive any irregularities in any proposal received.
- Remedy technical errors in the RFP.
- Appoint an evaluation committee to review submissions.
- Seek the assistance of outside technical experts in the evaluation of submissions.
- Approve or disapprove the use of particular subcontractors.
- Establish a short list of proposers eligible for discussions after a review of written submissions.
- Negotiate with any or none of the proposers.
- Solicit best and final offers from all or some of the proposers.
- Award an agreement to one or more proposers.
- Independently score or re-score each proposer's qualifications, experience and/or conceptual proposals, including cost, consistent with the RFP.

- Request and accept any additional information needed by the County for its evaluation.

9. **Determination of Proposer Responsibility**

- A responsible Proposer is a Proposer who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.
- Proposers are hereby notified that, in accordance with Chapter 2.202 of the County Code, the County may determine whether the Proposer is responsible based on a review of the Proposer's performance on any contracts, including but not limited to County contracts. Particular attention will be given to violations of labor laws related to employee compensation and benefits, and evidence of false claims made by the Proposer against public entities. Labor law violations which are the fault of subcontractors and of which the Proposer had no knowledge shall not be the basis of a determination that the Proposer is not responsible.
- The County may declare a Proposer to be non-responsible for purposes of this contract if the Board of Supervisors, in its discretion, finds that the Proposer has done any of the following: (1) committed any act or omission which negatively reflects on the Proposer's quality, fitness or capacity to perform this contract with the County or a contract with any other public entity, or engaged in a pattern or practice which negatively reflects on same, (2) committed an act or omission which indicates a lack of business integrity or business honesty, or (3) made or submitted a false claim against the County or any other public entity.
- If there is evidence that the apparent highest ranked Proposer may not be responsible, the Department shall notify the Proposer in writing of the evidence relating to the Proposer's responsibility, and its intention to recommend to the Board of Supervisors that the Proposer be found not responsible. The Department shall provide the Proposer and/or the Proposer's representative with an opportunity to present evidence as to why the Proposer should be found to be responsible and to rebut evidence which is the basis for the Department's recommendation. If the Proposer fails to avail itself of the opportunity to rebut the Department's evidence, the Proposer may be deemed to have waived all rights of appeal.
- If the Proposer presents evidence in rebuttal to the Department, the Department shall evaluate the merits of such evidence, and based on that evaluation, make a recommendation to the Board of Supervisors. The final decision concerning the responsibility of the Proposer shall

reside with the Board of Supervisors.

- These terms shall also apply to proposed subcontractors of Proposers on County contracts.

10. **Proposer Debarment**

- A. The Proposer is hereby notified that, in accordance with Chapter 2.202 of the County Code, the County may debar the Proposer from bidding on other County contracts for a specified period of time, not to exceed three years, and the County may terminate any or all of the Proposer's existing contracts with County, if the Board of Supervisors finds, in its discretion, that the Proposer has done any of the following: (1) violated any term of a contract with the County, (2) committed any act or omission which negatively reflects on the Proposer's quality, fitness or capacity to perform a contract with the County or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.
- B. If there is evidence that the apparent highest ranked Proposer may be subject to debarment, the Department shall notify the Proposer in writing of the evidence which is the basis for the proposed debarment, and shall advise the Proposer of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- C. The Contractor Hearing Board shall conduct a hearing where evidence on the proposed debarment is presented. The Proposer and/or the Proposer's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the Proposer should be debarred, and, if so, the appropriate length of time of the debarment. If the Proposer fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Proposer may be deemed to have waived all rights of appeal.
- D. A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the hearing Board.
- E. These terms shall also apply to proposed subcontractors of Proposers on County contracts.

VIII. COMMERCIAL INSURANCE REQUIREMENTS: PROPOSED SPECIFICATIONS AND REQUIRED CONDITIONS

The following is an outline of specific coverages and other policy provisions which together with the appended copies of the current policy (excluding coverage limit in current policy and coverage for 3rd party liability) should be considered as the County's minimum requirements. This information is provided to assist proposers in the development of their proposal. Proposals not meeting these minimum requirements may be disqualified and not considered for selection.

1. Coverage Requirements

Architects and Engineers Professional Liability policy written on a claims make form with Retroactive Date of September 1, 2000 and Extended Reporting Period of 12 months from expiration date of policy. All coverages must be primary, unless specifically noted otherwise, and written on a blanket basis.

2. Policy Limits and Deductibles

\$5 million each claim and annual aggregate with a \$250,000 self-insured retention.

3. Coverages/Perils Excluded

Proposals must:

- state any warranties or conditions which may limit or restrict coverage.
- specifically list any coverage restrictions or exclusions which will apply.

Otherwise, it is assumed coverage will apply without limitation or restriction.

4. Loss Experience

A summary of the County's loss experience relating to this insurance program is provided in Exhibits "N" confirming no losses have been incurred to date.

5. Inspection of County Data

It will be assumed that the underwriter has been provided data or has

undertaken sufficient investigation to be informed concerning the extent and character of the hazards and insurance specifications. Should additional information be needed, a written request must be submitted as noted in the "General Instructions" section of this RFP.

The following conditions are required and must be endorsed to the policy(s) of insurance:

1. Policyholder

The County of Los Angeles, Department of Public Works and all Special Districts operating under the Department of Public Works and governed by the Board of Supervisors of the County of Los Angeles.

2. Named Insured

The County of Los Angeles, Department of Public Works and all Special Districts operating under the Department of Public Works and governed by the Board of Supervisors of the County of Los Angeles

3. Address of Policyholder

County of Los Angeles, Chief Administrative Office, Risk Management Operations, 3333 Wilshire Blvd., Suite 820, Los Angeles, CA 90010.

4. Effective Date And Term of Insurance

Commencing September 1, 2003 to 2005 subject to anniversary renewals.

5. Notice of Cancellation or Termination

Policy(s) must be endorsed to provide at least ninety (90) days written notice of cancellation, intent not to renew, or any substantive change in policy terms or rate. Notices must be made by certified mail to the Chief Administrative Office - Risk Management Operations at the above address. This does not apply to a multi-year noncancellable policy, however the County will be able to cancel pro-rata if the insurer's A.M. Best's rating drops below "A" with a FSC of VII.

6. Discovery And Notice of Claim

The proposed policy(s) must contain an endorsement stipulating that

discovery of loss shall occur when the Chief Administrative Office - Risk Management Branch becomes aware of such incident or occurrence. Notice of loss will be provided to the insurer within a reasonable period of time.

7. Reinstatement Clause

In the event of any payment of indemnity by underwriters, the negotiated policy limit shall be automatically reinstated without reduction in coverage limits or additional premium.

8. Breach And Compliance With Warranty

Insurance shall not be invalidated or affected by a breach or failure of the County or any insureds to comply with any warranties or conditions which are unknown, beyond the control or not the responsibility of the County.

9. Error in Name And Description

Insurance shall not be prejudiced or invalidated by any error in the name or description of persons, services or program which are insured or to be insured.

10. Other Insurance

At the County's discretion, insurance shall at all times be primary over any other valid or collectible insurance which may be maintained or available to the County.

11. Conformity to Statute

Any policy(s) terms and conditions which are in conflict with the statutes of the State of California or other jurisdiction wherein insurance is issued must be amended to conform to such statutes. The proposer shall advise the policyholder of any statute or provision required by law to be stated in or attached to the policy(s) issued.

12. Waiver of Subrogation

Insurance shall not be invalidated because the County elects to waive, by contract or agreement, any or all rights of recovery against any party for loss. It is the responsibility of the underwriters and not the County to pursue and collect subrogation recoveries.

13. Reports

Underwriters shall provide the County with periodic and annual reports of all claims including, but not necessarily limited to, such information as date of loss, involved department, other involved parties, and amount and description of loss.

14. Underwriter Approval

The County reserves the right to reject any underwriter which the County deems to be unacceptable because of financial, conflict of interest or operational concerns. It is the sole and continuing responsibility of the proposer to investigate, evaluate, and advise the County of the underwriter's ability to meet coverage and financial obligations.

15. Claims Adjusting

Claims are adjusted by the County and by Carl Warren (see Exhibit C). Some litigation is handled by the County Counsel. Preference will be given to bidders that consider County Counsel fees as an allocated loss adjustment expense.

The following is to notify you of an error to the existing American Home Assurance Company's Policy, Endorsement #003, the Paragraph beginning with "**Professional Services**" the following correction should be noted:

A comma should be inserted on line 3 after "construction manager" and before "inspector", resulting in line 3 to read as follows:

"....construction manager, inspector and technician on quality control, and professional....."

The County seeks alternative quote for higher coverage and deductible limits as indicated in Exhibit "P", Premium and Broker Compensation Quote Form. Proposers may also submit optional proposals with alternative coverages and terms which they believe would be beneficial and cost-effective to the County. Submission of alternative proposals must be in accordance with Section V, Submission of Proposals, item 8.